

SENATE BILL NO. 444

INTRODUCED BY F. SMITH

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE PURCHASE OF MILITARY SERVICE IN THE PUBLIC EMPLOYEES', HIGHWAY PATROL OFFICERS', GAME WARDENS' AND PEACE OFFICERS', SHERIFFS', MUNICIPAL POLICE OFFICERS', AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS; PROVIDING THAT RETIREMENT PLAN MEMBERS WITH AT LEAST 5 YEARS OF SERVICE MAY PURCHASE MILITARY SERVICE FOR LESS THAN THE FULL ACTUARIAL COST; AMENDING SECTIONS 19-3-503, 19-6-801, 19-7-803, 19-8-901, 19-9-403, AND 19-13-403, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-3-503, MCA, is amended to read:

"19-3-503. Application to purchase military service. (1) (a) Except as provided in subsection (1)(b) and subject to 19-3-514, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's active service in the armed forces of the United States, including the first special service force or the American merchant marine in oceangoing service during the period of armed conflict, December 7, 1941, to August 15, 1945.

(b) A member is not eligible to purchase active military service credit and membership service under subsection (1)(a) if the member:

(i) has retired from active duty in the armed forces of the United States, including the first special service force or the American merchant marine in oceangoing service during the period of armed conflict, December 7, 1941, to August 15, 1945, with a military service retirement benefit based on that military service;

(ii) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

(iii) is eligible to receive credit for that service in any other retirement system or plan.

(2) (a) Except as provided in subsection (2)(b) and subject to 19-3-514, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's reserve military service in the armed

forces of the United States.

(b) A member is not eligible to purchase reserve military service credit and membership service under subsection (2)(a) if the member is eligible, pursuant to 19-2-707, to receive credit in the system for that service.

(3) To purchase service credit and membership service under this section, the member shall pay the ~~actuarial cost of the member's active or reserve military service credit based on the system's most recent actuarial valuation amount determined by the board to be due based on the member's compensation and regular contribution rate in the member's 6th year for the 1st year purchased and, for each subsequent year purchased, an amount based on the member's compensation and contribution rate in each of as many years succeeding the member's 5th year as are required to complete the purchase, with regular interest from the date the member becomes eligible for this benefit to the date the purchase is complete. The combined total of active and reserve military service credit and membership service that a member may purchase may be no more than the member's service credit in excess of 5 years or 5 years, whichever is less.~~

Section 2. Section 19-6-801, MCA, is amended to read:

"19-6-801. Application to purchase military service. (1) (a) Except as provided in subsection (1)(b) and subject to 19-6-805, ~~an eligible a member~~ with at least 5 years of service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's active service in the armed forces of the United States.

(b) A member is not eligible to purchase active military service credit and membership service under subsection (1)(a) if the member:

(i) has retired from active duty in the armed forces of the United States with military retirement benefits based on that military service;

(ii) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

(iii) is eligible to receive credit for that service in any other retirement system or plan.

(2) (a) Except as provided in subsection (2)(b) and subject to 19-6-805, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's reserve military service in the armed forces of the United States.

(b) A member is not eligible to purchase reserve military service credit and membership service under subsection (2)(a) if the member is eligible, pursuant to 19-2-707, to receive credit in the system for that service.

(3) To purchase service credit and membership service under this section, a member shall pay:

~~—— (a) a member with at least 15 years of service credit who is not covered by 19-6-710 shall contribute~~
the amount determined by the board to be due based on the member's compensation and regular contribution
rate in the member's ~~16th~~ 6th year for the 1st year purchased and, for each subsequent year purchased, an
amount based on the member's compensation and contribution rate in each of as many years succeeding the
member's ~~16th~~ 5th year as are required to complete the purchase, with regular interest from the date the
member becomes eligible for this benefit to the date the purchase is complete. The combined total of active and
reserve military service credit and membership service that a member may purchase may be no more than the
member's service credit in excess of ~~45~~ 5 years or 5 years, whichever is less.

~~(b) a member with at least 5 years of membership service who is covered by 19-6-710 shall pay the
actuarial cost of the member's active or reserve military service credit based on the system's most recent
actuarial valuation."~~

Section 3. Section 19-7-803, MCA, is amended to read:

"19-7-803. Application to purchase military service. (1) (a) Except as provided in subsection (1)(b)
and subject to 19-7-805, a member with at least 5 years of membership service may, at any time prior to
retirement, file a written application with the board to purchase service credit and membership service for up to
5 years of the member's active service in the armed forces of the United States.

(b) A member is not eligible to purchase active military service credit and membership service under
subsection (1)(a) if the member:

(i) has retired from active duty in the armed forces of the United States with military retirement benefits
based on that military service;

(ii) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

(iii) is eligible to receive credit for that service in any other retirement system or plan.

(2) (a) Except as provided in subsection (2)(b) and subject to 19-7-805, a member with at least 5 years
of membership service may, at any time prior to retirement, file a written application with the board to purchase
service credit and membership service for up to 5 years of the member's reserve military service in the armed
forces of the United States.

(b) A member is not eligible to purchase reserve military service credit and membership service under
subsection (2)(a) if the member is eligible, pursuant to 19-2-707, to receive credit in the system for that service.

(3) To purchase service credit and membership service under this section, the member shall pay the ~~actuarial cost of the member's active or reserve military service credit based on the system's most recent actuarial valuation~~ amount determined by the board to be due based on the member's compensation and regular contribution rate in the member's 6th year for the 1st year purchased and, for each subsequent year purchased, an amount based on the member's compensation and contribution rate in each of as many years succeeding the member's 5th year as are required to complete the purchase, with regular interest from the date the member becomes eligible for this benefit to the date the purchase is complete. The combined total of active and reserve military service credit and membership service that a member may purchase may be no more than the member's service credit in excess of 5 years or 5 years, whichever is less."

Section 4. Section 19-8-901, MCA, is amended to read:

"19-8-901. Application to purchase military service. (1) (a) Except as provided in subsection (1)(b) and subject to 19-8-906, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's active service in the armed forces of the United States.

(b) A member is not eligible to purchase active military service credit and membership service under subsection (1)(a) if the member:

(i) has retired from active duty in the armed forces of the United States with military retirement benefits based on that military service;

(ii) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

(iii) is eligible to receive credit for that service in any other retirement system or plan.

(2) (a) Except as provided in subsection (2)(b) and subject to 19-8-906, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's reserve military service in the armed forces of the United States.

(b) A member is not eligible to purchase reserve military service credit and membership service under subsection (2)(a) if the member is eligible, pursuant to 19-2-707, to receive credit in the system for that service.

(3) To purchase service credit and membership service under this section, the member shall pay the ~~actuarial cost of the member's active or reserve military service based on the system's most recent actuarial valuation~~ amount determined by the board to be due based on the member's compensation and regular

contribution rate in the member's 6th year for the 1st year purchased and, for each subsequent year purchased,
an amount based on the member's compensation and contribution rate in each of as many years succeeding
the member's 5th year as are required to complete the purchase, with regular interest from the date the member
becomes eligible for this benefit to the date the purchase is complete. The combined total of active and reserve
military service credit and membership service that a member may purchase may be no more than the member's
service credit in excess of 5 years or 5 years, whichever is less."

Section 5. Section 19-9-403, MCA, is amended to read:

"19-9-403. Application to purchase military service. (1) (a) Except as provided in subsection (1)(b) and subject to 19-9-406, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's active duty service in the armed forces of the United States.

(b) A member is not eligible to purchase active military service credit and membership service under subsection (1)(a) if the member:

(i) has retired from active duty in the armed forces of the United States with a military retirement benefit based on that military service;

(ii) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

(iii) is eligible to receive credit for that service in any other retirement system or plan.

(2) (a) Except as provided in subsection (2)(b) and subject to 19-9-406, a member with at least 5 years of membership service may, at any time prior to retirement, file a written application with the board to purchase service credit and membership service for up to 5 years of the member's reserve military service in the armed forces of the United States.

(b) A member is not eligible to purchase reserve military service credit and membership service under subsection (2)(a) if the member is eligible, pursuant to 19-2-707, to receive credit in the system for that service.

(3) To purchase service credit and membership service under this section, the member shall pay the ~~actuarial cost of the member's active or reserve military service credit based on the system's most recent actuarial valuation~~ amount determined by the board to be due based on the member's compensation and regular contribution rate in the member's 6th year for the 1st year purchased and, for each subsequent year purchased,
an amount based on the member's compensation and contribution rate in each of as many years succeeding
the member's 5th year as are required to complete the purchase, with regular interest from the date the member

1 becomes eligible for this benefit to the date the purchase is complete. The combined total of active and reserve
2 military service credit and membership service that a member may purchase may be no more than the member's
3 service credit in excess of 5 years or 5 years, whichever is less."

4
5 **Section 6.** Section 19-13-403, MCA, is amended to read:

6 **"19-13-403. Application to purchase military service.** (1) (a) Except as provided in subsection (1)(b)
7 and subject to 19-13-406, a member with at least 5 years of membership service may, at any time prior to
8 retirement, file a written application with the board to purchase service credit and membership service for up to
9 5 years of the member's active duty service in the armed forces of the United States.

10 (b) A member is not eligible to purchase active military service credit and membership service under
11 subsection (1)(a) if the member:

12 (i) has retired from active duty in the armed forces of the United States with military retirement benefits
13 based on that military service;

14 (ii) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

15 (iii) is eligible to receive credit for that service in any other retirement system or plan.

16 (2) (a) Except as provided in subsection (2)(b) and subject to 19-13-406, a member with at least 5 years
17 of membership service may, at any time prior to retirement, file a written application with the board to purchase
18 service credit and membership service for up to 5 years of the member's reserve military service in the armed
19 forces of the United States.

20 (b) A member is not eligible to purchase reserve military service credit and membership service under
21 subsection (2)(a) if the member is eligible, pursuant to 19-2-707, to receive credit in the system for that service.

22 (3) To purchase service credit and membership service under this section, the member shall pay the
23 ~~actuarial cost of the service credit based on the system's most recent actuarial valuation~~ amount determined by
24 the board to be due based on the member's compensation and regular contribution rate in the member's 6th year
25 for the 1st year purchased and, for each subsequent year purchased, an amount based on the member's
26 compensation and contribution rate in each of as many years succeeding the member's 5th year as are required
27 to complete the purchase, with regular interest from the date the member becomes eligible for this benefit to the
28 date the purchase is complete. The combined total of active and reserve military service credit and membership
29 service that a member may purchase may be no more than the member's service credit in excess of 5 years or
30 5 years, whichever is less."

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